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TELEGRAM

TELETYPE

564

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86
ACTION EB-11

INFO OCT-01 AF-10 EUR-25 EA-11 NEA-10 ADP-00 L-03 SCEM-02

COME-00 INT-08 TRSE-00 CIAE-00 INR-10 NSAE-00 RSC-01

SS-15 NSC-10 CIEP-02 PRS-01 PA-03 USIA-12 RSR-01 /135 W
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R 251044Z MAY 73
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 4152
INFO AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY TEHRAN
AMEMBASSY JAKARTA
AMEMBASSY LAGOS
AMEMBASSY THE HAGUE
AMEMBASSY TRIPOLI
EC BRUSSELS 919
OECDD PARIS

REVIEWED BY	<i>cl</i>	12/24/82
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TO APT.		
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REMARKS	☒ IN PART	
PA OR FOR EXEMPTIONS		B1, A7, A5

C O N F I D E N T I A L TOKYO 6558

E.O. 11652: DECLASSIFY DECEMBER 31, 1979

TAGS: ENRG, JA, LY

SUBJECT: LIBYAN OIL NEGOTIATIONS

REF: STATE 96585, 97463

SUMMARY: ECON/MIN CALLED ON NISHIDA, DEPUTY DIRECTOR GENERAL OF FONOFF ECONOMIC AFFAIRS BUREAU, MAY 24 TO OUTLINE US CONCERNS ABOUT CURRENT LIBYAN OIL SITUATION. NISHIDA REPLIED GOJ APPRECIATED SERIOUSNESS OF SITUATION, AND EFFECTS IT COULD HAVE ON JAPAN, HE PROMISED BEGIN PROMPT DISCUSSION WITHIN GOJ AND WOULD LET US KNOW WHAT, IF ANY, IDEAS DEVELOP, [REDACTED] B1

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[REDACTED] IN RESPONSE TO PARALLEL EMBASSY
APPROVAL MAY 25, MITI OFFICIALS AGREED THAT SITUATION SERIOUS
AND THAT SCRAMBLE FOR OIL AMONG CONSUMERS SHOULD BE AVOIDED.

[REDACTED] B1

1. ECON/MIN CALLED ON SEIYA NISHIDA, DEPUTY DIRECTOR
GENERAL OF ECONOMIC AFFAIRS BUREAU (DIRECTOR GENERAL
WAS ABSENT), FONOFF, MAY 24 TO DISCUSS CURRENT LIBYAN
OIL SITUATION. AFTER PRESENTATION OF AVAILABLE FACTS
CONCERNING LARG AND COMPANY POSITIONS, ECON/MIN
HIGHLIGHTED US CONCERNS THAT (A) NEGOTIATIONS ARE
AT SERIOUS STAGE WITH THE POSSIBILITY OF PARTIAL
OR FULL SHUTDOWN; (B) IF MET, LIBYAN DEMANDS WOULD ALMOST
CERTAINLY UPSET IRANIAN AND PARTICIPATION AGREEMENTS
LEADING TO HIGHER PRICES AND GREATER CONTROL BY PRO-
DUCERS; AND (C) WE DO NOT KNOW WHETHER COMPANIES CAN
INDUCE LARG TO ACCEPT TERMS COMPATIBLE WITH IRANIAN,
SAUDI OR NIGERIAN ONES -- HOWEVER, COMPANIES MAY FACE
SITUATION WHERE THEIR ASSETS WOULD BE CONFISCATED, IN
WHICH CASE RESULTING NATIONALIZATION COULD PROVOKE
SCRAMBLE BY MANY NATIONS FOR LIBYAN OIL. ECON/MIN
STRESSED SERIOUSNESS OF SITUATION AND ITS RELEVANCY
TO JAPAN, THEN ASKED WHAT REACTION GOJ HAD TO SITUATION
AND WHAT STEPS, IF ANY, MIGHT BE TAKEN BY CONSUMER
GOVERNMENTS TO AVERT NEW INFLATIONARY ROUND OF
NEGOTIATIONS.

2. NISHIDA REPLIED THAT GOJ APPRECIATED SERIOUSNESS OF
LIBYAN SITUATION. [REDACTED] B1

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[REDACTED]
SITUATION. [REDACTED]

4. NISHIDA PROMISED PROMPTLY CONSIDER US APPROACH AND PROVIDE ECON/MIN WITH FURTHER COMMENTS GOJ MIGHT HAVE. WE UNDERSTAND INITIAL GOJ ACTION HAS BEEN TO TRY TO ASCERTAIN, THROUGH ITS EMBASSIES IN WASHINGTON AND MIDDLE EAST, HOW IMMINENT LARG ACTION AGAINST OIL COMPANIES MIGHT BE.

5. ECON/COUNS TOOK OCCASION OF CALL ON IIZUKA (COUNSELOR, MINERAL, OIL AND COAL MINING BUREAU, MITI) ON OTHER SUBJECT MAY 25 TO MAKE PRESENTATION SIMILAR TO THAT OF F/MIN AT FONOFF. IN RESPONSE, IIZUKA STATED THAT HE WAS AWARE OF LIBYAN PROBLEM, ALTHOUGH NOT ALL RELEVANT DETAILS, AND THAT HE SHARED OUR CONCERN OVER THE SERIOUSNESS OF SITUATION AND OVER POSSIBLE CONSEQUENCES. HE APPRECIATED OUR SHARING INFO WITH HIM AND STATED HIS VIEW THAT INTRUSION OF COUNTRIES SEEKING SECURE LIBYAN OIL INTO PRESENT SITUATION WOULD ONLY CAUSE FURTHER DIFFICULTIES. HE STATED GOJ WOULD WATCH DEVELOPMENTS CLOSELY.

[REDACTED] B1
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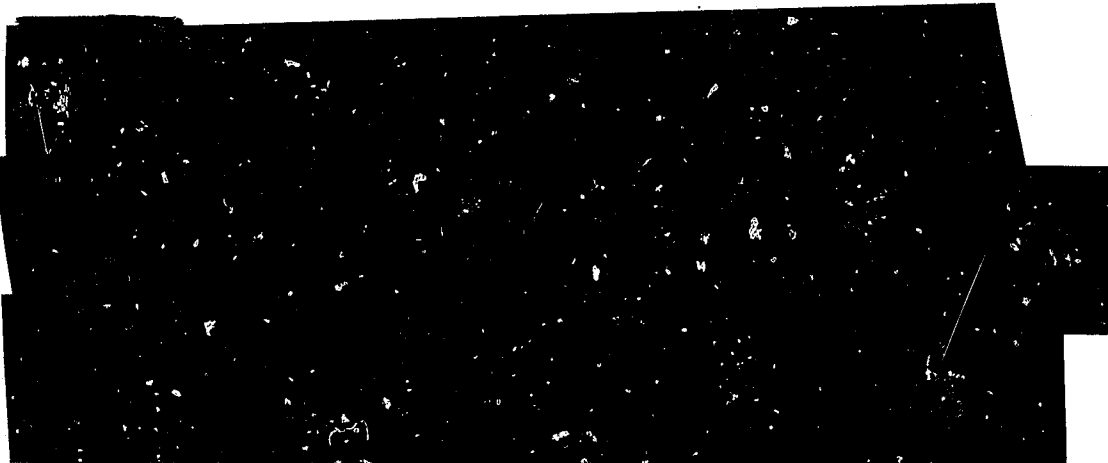


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